

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

-against-

**EMPIRE DEVELOPMENT GROUP, LLC.,
EMPIRE DEVELOPMENT GROUP FUND I, LLC,
CASTLE HILL VENTURES, LLC,
FELIX STRASHNOV a/k/a FELIX STRATON and
MICHAEL AYNGORN,**

Defendants.

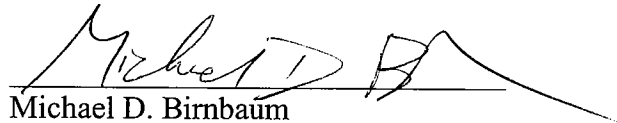
07 Civ. 3896 (PKC)

**DECLARATION OF MICHAEL D. BIRNBAUM IN SUPPORT OF
PLAINTIFF'S PROPOSED FINAL JUDGMENT**

1. I, Michael D. Birnbaum, pursuant to 28 U.S.C. 1746, declare as follows:
2. I am over 18 years of age and am employed as an attorney in the enforcement division in the New York Regional Office of the Securities and Exchange Commission ("Commission"). I submit this Declaration in support of the Commission's Proposed Final Judgment in the above-captioned matter.
3. I make this Declaration based upon personal knowledge, information and belief. The sources of my information and the bases of my belief are documents produced by the Defendants to the Commission staff, Defendants' respective responses to the Commission's document requests and my review of testimony by Defendants Strashnov and Ayngorn, at their depositions on May 29, 2007 and May 30, 2007.
4. Attached hereto as Exhibit 1 is a true and correct copy of the Commission staff's calculation of prejudgment interest at the IRS underpayment rate. The staff calculated interest on the \$2.9 million invested in Empire Securities from June 2007, the month following the last recorded investment in Empire Securities, through May 2008. For that time period, prejudgment interest is \$221,330.97.
5. Attached hereto as Exhibit 2 is a true and correct copy of relevant pages of a bank statement for an account in Empire Development Group Fund I, LLC's name reflecting the latest deposit of funds received in exchange for Empire Securities.
6. Attached hereto as Exhibit 3 is a true and correct copy of the Updated EDGFI Verified Accounting submitted by EDGFI in connection with this action.

Pursuant to 28 U.S.C. §1746, I, Michael D. Birnbaum, declare under penalty of perjury
that the foregoing is true and correct.

Executed on June 20, 2008
New York, New York


Michael D. Birnbaum